

Realty Trust Review

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INVESTMENT OUTLOOK AND STATISTICAL ISSUE

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INVESTMENT STRATEGY: RECENT RATE UPTURN CAUSES NO CHANGE IN SELECTION TACTICS

On Friday, February 15, the Federal Reserve raised the discount rate (the fee charged on loans to member banks) to 13% from 12%. This was followed by wide-spread increases in the prime rate to 15-3/4%, equaling the record level posted last November. And yet with inflation currently running at an annual rate of 19%, the general feeling is that these rate increases won't make much of a dent either in the inflation rate or in loan demand.

What does all this mean to the investor in realty trust stocks? The strategy has not changed much over the past year; the major difference is that a year ago when the prime rate was bumping 12%,

thoughts turned to selecting attractive situations for the eventual downturn in the interest rate. A year later, with prime bumping 16%, high rates are expected to continue over the year. The best advice regarding predictions of when interest rates will come down is don't. What appears to be the Fed's policy of gradualism will help here; generally, even those making short term interest plays will be able to wait for the Fed to make the first move before acting. Sharp, sudden changes seem unlikely. And for the long term investor, this is doubly true. You will be best served (and avoid making costly errors) by waiting out this high rate period. Again, don't try to second guess the Fed.

With the basic assumption of high interest rates indefinitely, we are left

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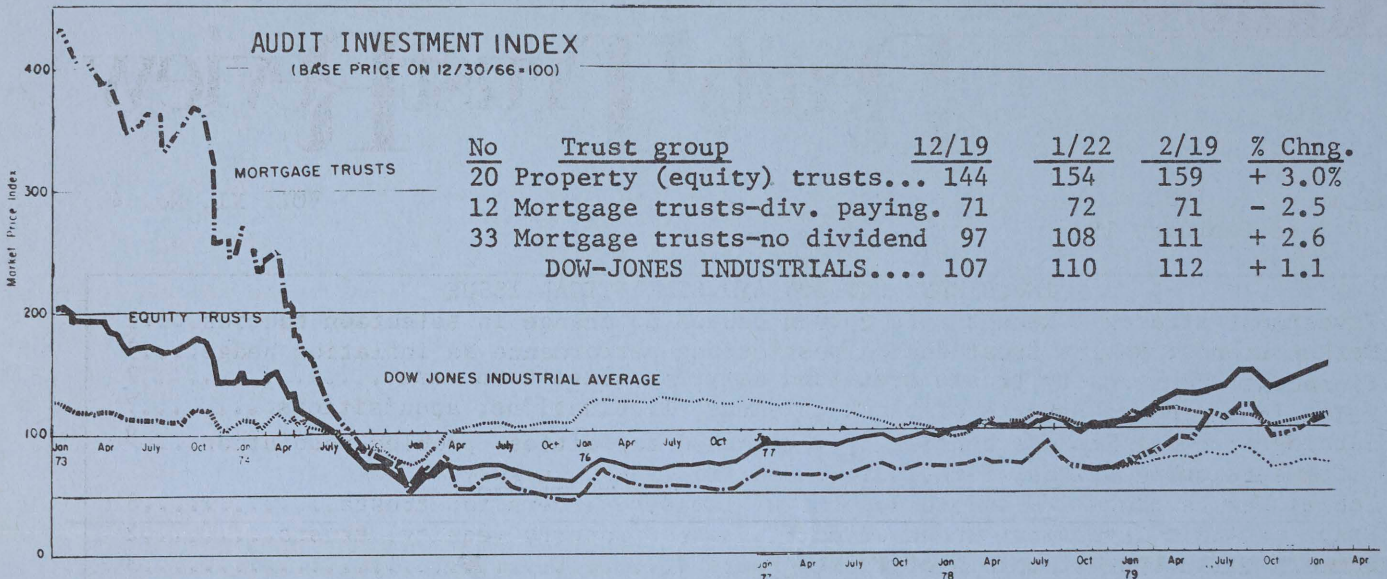
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AUDIT INVESTMENT INDEX

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with reiterating our advice of the last few months. The equity trusts remain our favored play. These stocks offer good inflation protection as the value of their holdings appreciates with inflation; additionally, several have little or no rate exposure and have attractive yields even for the current market. Trusts to look for are those with a large portion of their portfolio in office buildings and shopping centers, leveraged by fixed rate debt, and yielding in the 8% (or higher) range. While these stocks, generally trading below the market value of their assets are less vulnerable to a market downturn, we must caution, however, that in the absence of a liquidation or takeover, they probably will always trade at a discount as a closed-end investment.

Those nonqualified trusts attracting speculative interest would probably be least affected by a market downturn. These are more difficult to identify by group, but generally those with sizable tax loss carryforwards and fixed rate debt which are in a position to diversify through the acquisition of earning businesses are the most interesting plays here. Many of these are buyout candidates for the same reason.

For both the qualified and nonqualified trusts there remains the possibility of issuing paired stocks and doing a Santa Anita (see RTR, Dec. 21). Hotel In-

vestors is going this route, enabling it to manage property as well as to give REIT treatment to income from property. From the other end, Clevetrust Realty for example, is considering a paired stock as a way to requalify real estate holdings before the five year ban on REIT requalification is up, while the management company could continue in its role.

We continue to remain negative on the mortgage trusts. These effectively trade as bonds, adjusting the yield to the market level, but with all the risk of a stock. Some, notably Equitable and Northwestern, are not covering their dividends with their earnings. The opposite of the equity trusts, stated book value is far below liquidating value for the bulk of these trusts. These are acceptable investments only for short term plays.

Overall, the realty trust stocks are well situated from either the property or the speculative end to ride out rate highs/market declines as interest in real estate as an inflation hedge continues and the danger of overbuilding is not present in this cycle. As evidence of possibilities in trust investments, we move on to a discussion of some events of the last two weeks.

NOTE: Midland Mortgage was not ranked in our last RTR issue as Audit was negotiating with the trust regarding a fairness opinion.

Summary of Comparative Trust Group Averages for the Month

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV	EARN ANN	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	21	0	21	2205	14.23	1.25	1.87	17.64	8.0	11.3	9.4	7.1	23.9	13.2	888.9
-SMALL	8	0	8	1199	13.60	1.32	1.39	14.42	3.3	2.6	10.4	9.1	6.1	10.2	154.1
-SUBOR LAND	3	0	3	1862	16.36	1.56	1.73	18.33	11.6	11.9	10.6	8.5	12.1	10.6	100.6
AVERAGE 3 PROP GROUPS			32	1921	14.27	1.29	1.73	16.89	7.3	9.3	9.7	7.7	18.4	12.2	1143.6
PROP & MTG COMBINATION	13	10	23	2209	11.53	0.49	0.84	10.83	2.6	10.4	12.8	4.5	-6.1	7.4	617.3
SHORT-TERM MTG	11	0	11	2061	16.40	0.89	1.28	10.57	2.6	3.6	8.2	8.4	-35.5	7.8	265.1
LONG-TERM MTG/PROP	10	0	10	3334	16.35	1.22	1.19	10.59	0.5	4.7	8.9	11.5	-35.2	7.3	326.7
MTG/FCLSD PROP-MISC	3	5	8	4099	5.30	0.00	0.27	4.26	5.8	10.5	15.5	0.0	-19.5	5.2	145.0
-BANK	0	15	15	2791	5.30	0.02	0.60	4.53	6.5	19.5	7.6	0.4	-14.5	11.3	152.7
-INDEPEND	0	38	38	3846	4.06	0.00	0.48	3.40	3.0	6.5	7.1	0.0	-16.3	11.9	314.0
AVERAGE 3 MTG/FCLSD PROP			61	3619	4.52	0.00	0.48	3.79	4.5	10.6	7.9	0.1	-16.3	10.7	611.7
OVERALL AVERAGE	69	68	137	2840	9.79	0.54	0.95	9.07	4.8	8.8	9.5	6.0	-7.4	9.7	2964.4
DOW-JONES INDUSTRIALS															
							136.26	876.02	1.1	4.4	6.4	5.9			

MARKET TRENDS: REALTY TRUST SHARES POST STRONG PERFORMANCE AS INFLATION HEDGES

Market action over the past month was by and large predictable. After falling back from the 900 level, the Dow Jones Industrial Index was up only 1.1% in reaction to increases in the prime rate. Realty trust shares fared better, up 4.8% overall. Reflecting their status as inflation hedges, the equity trusts were the best performers, up 7.3%.

The best performing individual group was the smallest, the subordinated land leaseback group, whose climb of 11.6% was due to the sharp increase in the price of Property Capital Trust. Since we moved Property Capital's ranking to No. 1 two months ago, trust shares have appreciated 33%. The trust is selling an apartment building for a \$3.80/share gain, and positions in these shares should be held.

The large equity trusts, the traditional inflation play, posted an 8.0% gain. The group was led by Denver REIA's gain of 37.0% on its plan to liquidate (see p. 7). Other strong performers included No. 1-ranked Federal Realty, up

18.8%; we have long felt that this trust was undervalued even relative to other REIT shares. Virginia was up 15.4% on its impressive 1979 earnings (see p. 8) and continued acquisition speculation. GREIT was up 18.1% on reports that the sale of its Miami shopping center will be on more favorable terms than expected, and USP REIT, up 15.4% on its strong annual earnings, is still yielding a very attractive 11.3%.

The qualified mortgage trusts were flat, over all; this performance would have been worse if not for large gains reported by a few individual trusts. API Trust is up 17.4% on the First Carolina plans to seek control, No. 1-ranked Mortgage Trust of America was up 12.6% as a speculation on new commitments with no rate exposure, and IRT Property was up 12.3% after increasing its dividend for the second consecutive quarter.

Speculations continued in nonqualified trusts with large block holdings; Builders, Kenilworth, American Fletcher and M.I. Washington all showed large gains following reports of new holdings to the SEC.

Profile of Realty Trust Balance Sheets at Latest Report

	No.	---Invested Assets---		% Non- & Low-earn.	% Change in Month	Loss Reserve	Foreclosed Property	All Debt	Share-holders Equity	Depreciation	Taxloss Carry-forward
PROPERTY.....	32	\$ 1,874M	\$ 46M	2%	-0.3%	\$ 13M	\$ 21M	\$1,260M	\$ 654M	\$285M	\$ 2M
PROPERTY & MTG.....	23	1,784	297	17	+1.7	41	133	1,245	528	151	129
SHORT/TERM MTG.....	11	1,100	122	11	-2.7	26	92	693	418	5	16
L/T MTG/PROPERTY....	10	1,082	92	9	-1.3	11	75	563	520	9	0
MTG/FORECLOSED PROP.	61	4,251	2,691	63	-5.6	674	1,858	3,268	510	75	1,899
TOTALS/AVERAGES....	137	\$10,091M	\$3,249M*	32%	-4.6%	\$764M	\$1,858M	\$7,028M	\$2,630M	\$525M	\$2,046M

* Includes \$914M or 9.0% low-earning assets.

M=Million.

RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON ANN	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)		
PROPERTY TRUSTS-OVER \$25M ASSETS															
1	AM EQUITY INV #	OC-AEQTS	2497	11.12	1.60	DEC	2.20	11.75	4.4	4.4	5.3	13.6	5.7	19.8	29.3
1	COMMONWLT RLT#	OC-CRTYC	1344	9.73	0.40	MAY	0.75	9.50 X	1.1	11.8	12.7	4.2	-2.4	7.7	12.8
3	CONSOL CAP RLY#	OC-CCPLS	1989	26.00	2.28	AUG	2.00	28.50	3.6	-1.7	14.3	8.0	9.6	7.7	56.7
2	DENVER REI ASN#	OC-DENVS	1101	17.49	1.00	SEP	1.80	31.50	37.0	44.8	17.5	3.2	80.1	10.3	34.7
1	FEDERAL REALTY#	AS-FRT	1434	13.88	1.40	SEP	0.80	19.75	18.8	31.7	24.7	7.1	42.3	5.8	28.3
1	FIRST UNION RE#	NY-FUR	6167	16.13	1.28	DEC	1.43	17.00	4.6	10.5	11.9	7.5	5.4	8.9	104.8
1	FLORIDA GLF RL#	OC-FGLFS	997	20.55	1.28	OCT	1.68	17.00	9.7	11.5	10.1	7.5	-17.3	8.2	16.9
1	GENERAL GROWTH#	NY-GGP	6202	11.17	1.60	SEP	2.18	41.00	-3.0	7.2	18.8	3.9	267.1	19.5	254.3
2	GOULD INVESTOR#	AS-GTR	1173	18.99	1.28	DEC	3.11	14.25	-0.9	1.8	4.6	9.0	-25.0	16.4	16.7
2	GREIT REALTY	AS-GRT	998	9.36	0.40	OCT	0.00	10.63	18.1	14.9	0.0	3.8	13.6	0.0	10.6
2	HUBBARD REI	NY-HRE	4004	25.29	1.76	OCT	2.22	16.50	-3.7	2.3	7.4	10.7	-34.8	8.8	66.1
2	NEW PLAN RL TR#	AS-NPR	3066	6.17	0.90	JUL	1.00	9.25 X	-3.2	1.3	9.3	9.7	49.9	16.2	28.4
1	PENN REIT	AS-PEI	1561	13.91	1.90	NOV	2.36	23.75	-0.5	0.5	10.1	8.0	70.7	17.0	37.1
NR	PRESIDENTL RLY-A	AS-PDL.A	479	-1.91	0.05	OCT	2.31	4.38	0.0	29.6	1.9	1.1	-0.0	-0.0	2.1
NR	PRESIDENTL RLY-B	AS-PDL.B	2694	-1.91	0.05	OCT	2.31	3.75	0.0	10.9	1.6	1.3	-0.0	-0.0	10.1
2	REIT OF AMERICA	AS-REI	1633	22.75	2.05	NOV	2.09	22.75	4.0	7.1	10.9	9.0	0.0	9.2	37.2
2	SAN FRAN RE IN#	AS-SFI	1399	25.41	1.76	DEC	1.96	25.00 X	6.0	6.4	12.8	7.0	-1.6	7.7	35.0
NR	UNIVERSITY REI#	OC-URETS	2514	9.16	1.20	SEP	0.51	10.50 X	6.0	16.7	20.6	11.4	14.6	5.6	26.4
NR	USP RE EST INV#	OC-USPTS	2500	9.34	0.85	DEC	0.98	7.50	15.4	7.1	7.7	11.3	-19.7	10.5	18.8
2	VIRGINIA REIT #	OC-VARES	1017	14.56	0.80	DEC	1.20	15.25 X	21.2	38.6	12.7	5.2	4.7	8.2	15.5
2	WASH RE (WRIT) #	AS-WRE	1526	21.66	2.32	SEP	6.43	30.88	2.9	10.8	4.8	7.5	42.6	29.7	47.1
GROUP AVERAGE			2205	14.23	1.25		1.87	17.64	8.0	11.3	9.4	7.1	23.9	13.2	888.9
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS															
NR	GENERAL RE SHS#	OC-GRELS	557	15.96	1.21	SEP	1.52	9.50	-5.0	-13.6	6.3	12.7	-40.5	9.5	5.3
1	HOTEL INVESTOR#	AS-HOT	1695	19.94	2.20	NOV	3.23	23.25	7.5	20.8	7.2	9.5	16.6	16.2	39.4
NR	PITTS & W VA RR	AS-PW	1510	23.13	0.57	SEP	0.72	5.38	0.0	4.9	7.5	10.6	-76.7	3.1	8.1
NR	RL EST INV PRP#	OC-REIPS	959	8.64	1.28	DEC	1.24	10.75	0.0	0.0	8.7	11.9	24.4	14.4	10.3
NR	REIT OF CALIF	OC-RICAL	719	10.24	1.28	SEP	1.60	16.00	0.0	0.0	10.0	8.0	56.3	15.6	11.5
NR	TERRYDALE RLT#	OC-TRYLS	336	23.75	1.80	SEP	1.84	19.00 X	8.1	5.6	10.3	9.5	-20.0	7.7	6.4
NR	US EQUITY & MTG	OC-USEM	1067	3.02	1.20	JUL	0.99	8.00	-5.9	-5.9	8.1	15.0	164.9	32.8	8.5
NR	Z-SANTA ANITA	OC-SAC0Z	2748	4.11	1.00	SEP	0.00	23.50	-1.1	-1.6	0.0	4.3	471.8	0.0	64.6
GROUP AVERAGE			1199	13.60	1.32		1.39	14.42	3.3	2.6	10.4	9.1	6.1	10.2	154.1
PROPERTY TRUSTS-SUBOR LAND LEASEBACK															
1	ICM REALTY	AS-ICM	3011	15.53	1.00	AUG	1.56	16.75 X	8.4	13.6	10.7	6.0	7.9	10.0	50.4
2	JMB REALTY	OC-JMBRS	510	19.80	2.12	NOV	2.08	18.50	0.0	0.0	8.9	11.5	-6.6	10.5	9.4
1	PROPERTY CAPITL	AS-PCL	2065	13.75	1.56	JAN	1.56	19.75	22.4	24.4	12.7	7.9	43.6	11.3	40.8
GROUP AVERAGE			1862	16.36	1.56		1.73	18.33	11.6	11.9	10.6	8.5	12.1	10.6	100.6
PROPERTY & MTG COMBINATION															
3N	API TRUST	OC-APIIS	1012	8.28	0.00	SEP	0.50	3.38	17.4	28.5	6.8	0.0	-59.2	6.0	3.4
3	BANKAMER RLT#	OC-BRLTS	3562	17.32	1.20	JAN	1.09	17.25	-11.0	-5.5	15.8	7.0	-0.4	6.3	61.4
3N	BRT REALTY	AS-BRT	1400	1.89	0.00	AUG	0.00	1.00	-20.0	6.4	0.0	0.0	-47.1	0.0	1.4
1	CONN GENL M&R #	NY-CGM	5832	20.73	2.00	DEC	2.73	23.75	-6.4	1.6	8.7	8.4	14.6	13.2	138.5
2	FLATLEY RL INV#	OC-FLTLS	1000	9.85	0.30	SEP	0.72	5.75	0.0	9.5	8.0	5.2	-41.6	7.3	5.8
2	IRT PROPRY CO#	AS-IRT	2330	12.52	0.90	SEP	1.32	11.00 X	12.3	15.8	8.3	8.2	-12.1	10.5	25.6
2	MILLER(HS) TRST	OC-HSMTS	560	18.78	1.60	NOV	1.69	17.25	0.0	-2.8	10.2	9.3	-8.1	9.0	9.7
1	MORTGAGE GROW#	AS-MTG	2645	11.91	1.00	NOV	0.92	10.00	1.2	14.3	10.9	10.0	-16.0	7.7	26.5
2	PACIFIC RLT TR#	AS-PTT	841	22.99	1.20	NOV	2.11	25.25	1.0	12.8	12.0	4.8	9.8	9.2	21.2
2	PROPTY TR AMER#	OC-PTRAS	2338	9.08	0.73	SEP	0.48	8.00 X	-1.5	8.4	16.7	9.1	-11.9	5.3	18.7
3	REALTY INCOME	AS-RI	1591	10.55	0.80	OCT	0.35	7.75	-11.4	3.3	22.1	10.3	-26.5	3.3	12.3
2N	RIVIERE REALTY#	OC-N/A	783	12.00	0.00	SEP	0.00	6.00	4.3	4.3	0.0	0.0	-50.0	0.0	4.7
3	WELLS FARGO M&E	NY-WFM	3946	18.14	1.40	DEC	1.68	13.88 X	-4.4	-1.8	8.3	10.1	-23.5	9.3	54.8
GROUP AVERAGE			2142	13.39	0.86		1.05	11.56	-0.7	4.6	11.1	7.4	-13.7	7.8	384.0
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR															
2N	BAYSWATER RLT#	OC-BRLTS	1043	18.54	0.00	OCT	2.73	10.00	11.1	8.1	3.7	0.0	-46.1	14.7	10.4
1	CENTRAL MTG&RLY	OC-CMRTS	775	14.37	0.60	DEC	1.53	10.38 X	0.3	6.5	6.8	5.8	-27.8	10.6	8.0
4	EQUIT LF MTG&RL	NY-EQ	5663	23.36	2.00	JAN	1.60	14.25	-5.8	-3.4	8.9	14.0	-39.0	6.8	80.7
3	FIRST CONTNL RE	OC-FCRES	2106	10.51	1.12	NOV	1.36	7.25	-5.0	-3.3	5.3	15.4	-31.0	12.9	15.3
4	FRASER MTG	OC-FRASS	1038	16.57	1.12	NOV	1.12	11.50	2.2	24.3	10.3	9.7	-30.6	6.8	11.9
3N	HANOVER SQ RLT#	AS-HSQ	946	11.47	0.00	NOV	0.00	6.38	4.1	4.1	0.0	0.0	-44.4	0.0	6.0
3	LOMAS & NET MTG	NY-LOM	3700	28.00	2.60	DEC	2.60	17.38	-9.7	-9.7	6.7	15.0	-37.9	9.3	64.3
2	M&T MORTGAGE	OC-MTMIS	1486	10.43	1.60	NOV	1.80	12.63	8.6	4.1	7.0	12.7	21.1	17.3	18.8
1N	MTG TRUST AMER	NY-MT	3860	14.33	0.00	NOV	0.58	7.88	12.6	10.5	13.6	0.0	-45.0	4.0	30.4
3	NATIONWIDE RE	OC-NRELS	1047	24.58	0.56	DEC	0.56	14.75 X	1.5	7.3	26.3	3.8	-40.0	2.3	15.4
2	WESTERN MTG	BO-WMTGS	1003	8.24	0.20	NOV	0.24	3.88	10.9	14.8	16.2	5.2	-52.9	2.9	3.9
GROUP AVERAGE			2061	16.40	0.89		1.28	10.57	2.6	3.6	8.2	8.4	-35.5	7.8	265.1
LONG-TERM MTGS & PROPERTIES															
NR	DEL-VAL FIN CP*	OC-DVALS	1345	9.36	1.44	SEP	1.44	10.00 X	-5.9	-2.4	6.9	14.4	6.8	15.4	13.5
1	HOSPITAL MTG #	AS-HGM	1178	23.41	0.60	NOV	0.60	13.50	8.0	31.7	22.5	4.4	-42.3	2.6	15.9
1	MASSMUTUAL MTG	NY-MML	4670	19.85	1.48	OCT	1.72	12.00	0.0	2.1	7.0	12.3	-39.5	8.7	56.0
3	MOMY MTG INV	NY-MYM	8952	9.79	1.02	NOV	0.77	7.75	-7.5	1.6	10.1	13.2	-20.8	7.9	69.4
3	NW MUT LIFE MTG	NY-NML	4758	19.08	1.00	DEC	0.88	8.75	-2.8	-2.8	9.9	11.4	-54.1	4.6	41.6
1	PACIF SOTHEN MT	OC-PSMTS	800	12.39	1.60	SEP	1.31	8.50 X	11.8	6.3	6.5	18.8	-31.4	10.6	6.8
3	PNE MTG & RLT#	NY-PNI	4759	16.44	1.08	DEC	1.12	8.38	-9.4	-6.9	7.5	12.9	-49.0	6.8	39.9
2	RLTY & MTG PAC	OC-RPACS	1895	18.22	1.60	NOV	1.72	15.75	-3.8	4.1	9.2	10.2	-13.6	9.4	29.8
4	REALTY REFUND	NY-RRF	1377	17.31	1.32	JAN	1.32	10.25	-10.9	-1.3	7.8	12.9	-40.8	7.6	14.1
2	UNITED RLT# TR	AS-URT	3610	17.63	1.04	NOV	1.00	11.00 X	7.2	12.8	11.0	9.5	-37.6	5.7	39.7
GROUP AVERAGE			3334	16.35	1.22		1.19	10.59	0.5	4.7	8.9	11.5	-35.2	7.3	326.7
MTG & FORECLOSED PROPERTY-MISC SPONSOR															
2N	Y CMT INVESTMT TR	OC-CMTIS	2030	2.96	0.00	SEP	0.00	2.00	0.0	22.7	0.0	0.0	-32.4	0.0	4.1
3N	HEITMAN MTG INV	AS-HTM	3292	1.42	0.00	SEP	0.03	2.00	-20.0	6.4	66.7	0.0	40.8	2.1	6.6
3N	NORTH AMER MTG	NY-NAM	6901	5.65	0.00	SEP	0.00	3.88	10.9	3.5	0.0	0.0	-31.3	0.0	26.8
GROUP AVERAGE			4074	3.34	0.00		0.01	2.63	-1.5	8.5	262.7	0.0	-21.4	0.3	37.5

RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS- MON	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)													
5N	AMER REALTY	OC-ARB	2222	3.58	0.00	SEP	0.43	3.63	7.4	26.0	8.4	0.0	8.1
2N	BAY COLONY PROP	NY-BAY	3315	6.11	0.00	NOV	0.00	6.50	10.5	-2.0	0.0	0.0	21.5
3N	CITIZENS GROWTH	OC-CITGS	811	8.87	0.00	OCT	1.86	4.00	23.1	23.1	2.2	0.0	3.2
1	FRANKLIN RLTY	AS-FR	999	8.96	0.12	DEC	0.63	20.50 X	11.1	74.5	32.5	0.6	20.5
2N	INDIANA FCL INV	OC-IFII	1154	8.95	0.00	DEC	0.00	3.63	0.0	11.7	0.0	0.0	4.2
2N	KENILWORTH RLTY	NY-KRT	2609	22.98	0.00	NOV	1.68	32.88	12.9	13.9	19.6	0.0	85.8
2N	SAUL (BF) REIT	NY-BFS	5893	3.86	0.00	DEC	0.00	7.88	-8.7	8.7	0.0	0.0	46.4
2N	US REALTY INV #	NY-UTY	3431	14.55	0.00	SEP	0.76	8.63	-5.5	-2.8	11.4	0.0	29.6
1N	WALTER REALTY	OC-WALJS	1035	7.94	0.00	OCT	0.01	6.75	25.5	31.6	675.0	0.0	7.0
2	WISCONSIN REIT	OC-WREIS	1514	5.57	0.08	DEC	0.55	4.63	-2.5	8.9	8.4	1.7	9.9
GROUP AVERAGE		2298	9.14	0.02		0.59	9.90	8.3	20.5	16.7	0.2	8.4	233.3
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT													
2N	ANRET INC	PH-ARET	509	20.33	0.00	NOV	0.00	9.00	5.9	-13.3	0.0	0.0	4.6
4N	BUILD INV GRP	OC-BULDS	2844	1.40	0.00	DEC	0.23	2.63	10.5	10.5	11.4	0.0	7.5
5N	VJ CITIZENS MTG	OC-CZM	1421	-13.51	0.00	SEP	0.55	0.25	0.0	0.0	0.5	0.0	0.4
1N	COMPASS INV GR	OC-CMPSS	3319	3.86	0.00	SEP	0.01	1.69	-3.4	12.7	169.0	0.0	5.6
4N	VJ CONTINENTAL MTG	OC-CMI	20838	-5.54	0.00	SEP	0.28	0.30	0.0	-14.3	1.1	0.0	6.3
2N	DIVERSIFIED MTG	NY-DMG	7326	8.00	0.00	SEP	0.00	4.50	-2.8	-5.3	0.0	0.0	33.0
3N	Y DOMINION MGR	OC-DMRTS	3314	0.58	0.00	NOV	3.52	1.75	0.0	-6.9	0.5	0.0	5.8
1N	EASTOVER CORP	OC-EASTS	1034	16.19	0.00	SEP	2.96	14.50	7.4	11.5	4.9	0.0	15.0
2N	FIRST CARO INV	OC-FCARS	1510	14.60	0.00	DEC	0.16	8.00	4.8	23.1	50.0	0.0	12.1
2N	FIRST MTG INVST	OC-FMTGS	8495	-3.35	0.00	OCT	0.33	1.81	0.0	11.0	5.5	0.0	15.4
2N	FIRST NEWPT CP	OC-FNEW	2339	3.07	0.00	OCT	0.00	2.13	0.0	0.0	0.0	0.0	5.0
3N	FIRST VIR REIT	OC-FVM	1208	8.47	0.00	SEP	0.51	3.25	18.2	15.7	6.4	0.0	3.9
2N	GREAT AMER MGI	OC-GAMI	7372	0.31	0.00	OCT	0.03	3.13	-3.7	-3.7	104.3	0.0	23.1
2N	GROWTH REALTY	NY-GRW	2059	7.45	0.00	DEC	0.71	5.63	-16.6	0.0	7.9	0.0	11.6
3N	Y GUARDIAN MTG	PH-GMI	19010	-0.22	0.00	NOV	0.64	1.06	6.0	6.0	1.7	0.0	20.2
3N	HAMILTON INV TR	OC-HAMTS	2175	5.27	0.00	SEP	0.00	3.13	13.8	13.8	0.0	0.0	6.8
2N	HOMAC-BARNES	OC-HOMC	1910	8.85	0.00	DEC	0.00	1.88	-6.0	0.0	0.0	0.0	3.6
3N	INSTITUTAL INV	NY-INV	6798	0.98	0.00	OCT	0.00	1.38	-8.0	0.0	0.0	0.0	9.4
2N	KENTUCKY PROPTY	OC-KMTGS	1100	3.24	0.00	AUG	0.02	2.00	6.4	6.4	100.0	0.0	2.2
5N	Y LIFETIME COMMUN	OC-LFTMS	6666	3.27	0.00	OCT	0.17	1.00	0.0	0.0	5.9	0.0	6.7
2N	LINCOLN MTG	OC-LNMGs	1155	0.54	0.00	DEC	0.00	2.50	-4.9	-26.0	0.0	0.0	2.9
1N	MARYLAND REALTY	OC-MDRTS	760	8.29	0.00	AUG	0.00	2.88	4.7	0.0	0.0	0.0	2.2
3N	Y METROPLEX RLTY	OC-JMI	11840	1.05	0.00	SEP	0.86	0.50	0.0	0.0	0.6	0.0	5.9
2N	MIDLAND MTG	NY-MMT	2382	1.95	0.00	DEC	0.09	3.13	-10.6	-19.3	34.8	0.0	7.5
1N	MISSION INV TR	AS-MIT	1812	6.31	0.00	NOV	0.36	5.38	-8.5	-10.3	14.9	0.0	9.7
1N	MORAGA CORP	OC-MORA	1355	8.16	0.00	OCT	0.02	6.50	4.0	6.0	325.0	0.0	8.8
4N	MTG INV WASH	OC-MINVS	2146	4.57	0.00	SEP	0.78	2.50	11.1	5.0	3.2	0.0	5.4
4N	Y NATIONAL MTG	OC-NMF	3707	2.19	0.00	NOV	0.01	1.00	13.6	37.0	100.0	0.0	3.7
3N	Y NJB PRIME INV	OC-NJBSS	1860	4.19	0.00	NOV	0.00	5.50	0.0	10.0	0.0	0.0	10.2
1N	PARKWAY COMPANY	OC-PKWSY	1055	8.03	0.00	DEC	0.24	6.75	25.5	35.0	28.1	0.0	7.1
4N	PLAZA REALTY	OC-PRISS	1114	0.63	0.00	SEP	0.00	1.50	0.0	32.7	0.0	0.0	1.7
3N	REPUBLIC MTG	NY-RMI	2107	4.27	0.00	DEC	1.37	2.63	0.0	50.3	1.9	0.0	5.5
2N	SO ATLANTIC FIN	NY-SAT	2706	3.62	0.00	OCT	0.00	3.63	-9.3	7.4	0.0	0.0	9.8
1N	TIERCO	OC-TIERS	2355	8.45	0.00	DEC	0.84	5.00	-4.8	33.3	6.0	0.0	11.8
2N	TRECO INC	OC-TREC	2367	1.74	0.00	DEC	0.00	1.81	11.0	16.0	0.0	0.0	4.3
4N	UMET TRUST	NY-UAT	2109	1.76	0.00	NOV	1.99	2.63	10.5	0.0	1.3	0.0	5.5
2N	WASHINGTON CP	PH-CHU	1675	-0.87	0.00	SEP	0.00	1.63	18.1	8.7	0.0	0.0	2.7
2N	WESTPORT COMPANY	OC-WSPTS	2388	6.12	0.00	OCT	1.61	4.63	32.3	37.0	2.9	0.0	11.1
GROUP AVERAGE		3846	4.06	0.00		0.48	3.40	3.0	6.5	7.1	0.0	-16.3	314.0
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR													
3N	AMER FLETCHER M	OC-AFMIS	1352	1.54	0.00	OCT	0.28	3.00	33.3	67.6	10.7	0.0	4.1
2N	BT MTG INVSTRS	NY-BTM	2116	1.22	0.00	DEC	0.09	2.00	-6.1	6.4	22.2	0.0	4.2
2N	CAMERON-BROWN	NY-CB	2016	9.60	0.00	SEP	0.01	4.13	10.1	0.0	413.0	0.0	8.3
5N	VJCHASE MAN MTG	OC-CMR	5267	-5.20	0.00	NOV	0.29	1.00	58.7	88.7	3.4	0.0	5.3
NR	CITINATL DEV	OC-N/A	600	13.27	0.00	SEP	0.04	9.25	2.8	1.3	231.3	0.0	5.6
1	CLEVELAND TRST	OC-CTRS	2525	10.69	0.28	DEC	0.02	10.75	10.3	38.7	537.5	2.6	27.1
1N	FIDELCO GROWTH	AS-FGI	1580	9.14	0.00	NOV	0.00	5.13	5.1	24.2	0.0	0.0	8.1
2N	FIRST DENVR MTG	OC-FDENS	1621	5.44	0.00	DEC	0.03	3.13	13.8	39.1	104.3	0.0	5.1
2N	FIRST MEMPH RLTY	OC-FMEMS	1156	6.29	0.00	AUG	0.00	4.75	-2.7	8.4	0.0	0.0	5.5
4N	FIRST PENN MTG	NY-FPM	2961	0.99	0.00	OCT	0.00	1.75	-12.5	16.7	0.0	0.0	5.2
3N	FIRST WISC MTG	OC-FWMTS	1988	5.43	0.00	SEP	0.00	7.50	5.2	20.0	0.0	0.0	14.9
4N	INDEPENDENCE MT	OC-INTGS	2625	3.60	0.00	SEP	7.37	5.00	25.0	45.3	0.7	0.0	13.1
3N	SOUTHMARK PROP	NY-SM	9814	2.15	0.00	DEC	0.08	1.88	-16.4	25.3	23.5	0.0	18.5
2N	TRI-SOUTH MTG	NY-TSI	2903	6.03	0.00	DEC	0.30	3.50	0.0	11.8	11.7	0.0	10.2
2N	WACHOVIA RLTY	NY-WRI	3335	9.34	0.00	NOV	0.46	5.25	5.0	2.3	11.4	0.0	17.5
GROUP AVERAGE		2791	5.30	0.02		0.60	4.53	6.5	19.5	7.6	0.4	-14.5	152.7
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS													
3N	AMER CENTURY MI	NY-ACT	2607	6.73	0.00	DEC	1.19	7.38	34.2	28.3	6.2	0.0	19.2
3N	CI MTG GROUP	PH-CI	4812	7.49	0.00	OCT	0.65	7.13	0.0	1.9	11.0	0.0	34.3
2N	GMR PROPERTIES	NY-GMR	2957	2.56	0.00	NOV	0.17	2.50	5.0	17.4	14.7	0.0	7.4
1N	SECURITY CAPITL	AS-SCC	7412	6.13	0.00	DEC	0.07	4.50	0.0	12.5	64.3	0.0	13.2
2N	STATE MUTUAL IN	NY-SMU	2786	9.49	0.00	DEC	0.09	4.75	0.0	0.0	52.8	0.0	13.2
GROUP AVERAGE		4115	6.48	0.00		0.43	5.25	8.2	11.1	12.1	0.0	-19.0	107.5
PREFERRED STOCK & REIT FUNDS													
NR	QMT INV TR-PFD	OC-QMTIP	2149	7.50L	0.00	SEP	0.00	2.13	0.0	13.3	0.0	0.0	4.6
NR	CYPRUS CORP	AS-CYC	1425	1.22N	0.00	OCT	0.00	3.00	16.7	9.1	0.0	0.0	4.3
NR	CYPRUS-PFD	AS-CYCPR	660	21.15C	1.70	---	0.00	13.63	1.0	0.0	0.0	12.5	9.0
NR	RET INCOME	AS-RET	3794	3.74N	0.00	SEP	0.17	5.88	20.5	51.5	34.6	0.0	22.3
NR	RET-\$4.38 PFD	AS-RETPR	575	51.63C	4.38	---	0.00	44.50	0.0	0.0	0.0	9.8	25.6
NR	TRECO-PFD A I	OC-N/A	779	1.00L	0.00	---	0.00	0.75	0.0	0.0	0.0	0.0	0.6
NR	TRECO-PFD AII	OC-N/A	260	1.00L	0.00	---	0.00	0.25	0.0	0.0	0.0	0.0	0.1
GROUP AVERAGE		1377	12.46	0.87		0.02	10.02	4.5	3.7	412.6	8.7	-19.6	66.5

* GROSS CASH FLOW. # NET CASH FLOW, SEE P. 6. TRUSTS REPORTED ON A CASH FLOW BASIS AND DENOTED WITH "G" OR "N" SYMBOL: BOOK VALUE INCLUDES ACCUMULATED DEPRECIATION. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS AND NON-RECURRING ITEMS NOT ANNUALIZED. -0.0 IN % PRICE TO BOOK INDICATES NEGATIVE BOOK VALUE. PH-PHILADELPHIA EXCHANGE. PS-PACIFIC EXCHANGE. BO-BOSTON EXCHANGE. NR-NOT RANKED. VJ-IN BANKRUPTCY REORGANIZATION. Y-CHAPTER XI REORGANIZATION COMPLETED. BID PRICES SHOWN FOR ALL OVER THE COUNTER STOCKS.

AMERICAN EQUITY, NATIONWIDE RE, USP REIT, PRESIDENTIAL REALTY EARNINGS AND DIVIDENDS TRAILING 12 MONTHS.
FRANKLIN REALTY, WISCONSIN REIT, FLATLEY REALTY, PACIFIC SOUTHERN MTG DIVIDENDS TRAILING 12 MONTHS.

L-LIQUIDATING VALUE. N-NET ASSET VALUE. C-CALL PRICE. NR-NOT RANKED. TRECO PFD SERIES I CONVERTIBLE AT \$1.62.

GROUP CHANGE: MISSION INV. FROM QUALIFIED MTG & FORECLOSED PROPERTY MISC SPONSOR TO MTG & FORECLOSED PROP-NON-QUALIFIED INDEPENDENT MGMT. SECURITY CAPITAL FROM PROP & MTG COMBINATION-NON-QUALIFIED TO MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS.

NAME CHANGE: CITIZENS & SOUTHERN REALTY TO SOUTHMARK PROPERTIES. SECURITY MTG TO SECURITY CAPITAL.

DELETION: IDS REALTY; NEWCORP INC.

INSERTION: PRESIDENTIAL REALTY CLASS A AND CLASS B IN PROPERTY TRUSTS-OVER \$25M ASSETS.

CONVERTIBLE DEBENTURES

STRAIGHT BONDS

DEBENTURE	EX	INT (%)	MAT	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE	ISSUER & DESC.	EX	INT.	MATURITY	MIL \$	PRICE	% CHANGE	% YIELD
ALAMAND CORP	OC	6.50	'91F	27.75	49.00	13.3	-1.9	13.59	6.50	BAY COLONY PROP-B	PS	8.50	3/15/89	15.2	65.00	-5.7	13
AMER CENTURY	AS	7.00	'90	17.12	58.75	11.9	1.3	10.05	7.38	BAY COLONY PROP-C	NY	8.50	3/31/81F	6.8	94.00	2.6	9
AMER CENTY'B	NY	6.75	'91	23.86	57.00	11.8	0.0	13.60	7.38	BT MTG INV-C	OC	5.75	1/15/82	19.4	72.00	1.4	8
AMER REALTY	OC	7.00	'84F	10.40	75.00	DEF	0.0	7.80	3.63	CHASE MAN TR-A	OC	7.88	5/1/78F	36.7	90.00	2.3	VJ
BANKAMERICA	OC	6.75	'90	21.00	87.00	7.8	2.4	18.27	17.25	CHASE MAN TR-C	OC	7.50	2/1/83	41.2	55.00	5.8	VJ
BAYSWATER	OC	6.75	'91	21.00	58.00	11.6	-3.2	12.18	10.00	CITIZN & SO RLY-CD#	PS	3.00	6/30/93	2.4	85.00	6.3	3
CHASE MANHTN	OC	11.63	'97	2.25	55.00	VJ	5.8	1.23	1.00	CITZNS MTG INV-B	OC	8.50	4/15/80	20.0	36.00	24.1	VJ
CHASE MANHTN	OC	6.50	'96F	55.00	55.00	VJ	5.8	30.25	1.00	CMEI-C	NY	6.50	3/1/82F	30.0	72.13	-3.1	9
CONN GENERAL	NY	6.00	'96	32.50	76.50	7.8	2.7	24.86	23.75	COMPASS INV-B	OC	16.25	9/30/94	4.4	95.00	0.0	17
CONTNLT MTG	OC	6.25	'90	19.79	37.00	VJ	-5.0	7.32	0.30	DOMINION MTG-C	OC	8.00	10/3/87	11.0	73.00	1.4	0
EQUITBL LF M	NY	6.75	'90	26.25	69.13	9.8	2.0	18.14	14.25	EQUIT LF MT-H	NY	12.00	9/1/87	50.0	92.00	0.0	13
FIRST NEWPT	OC	6.75	'91F	27.50	42.00	16.1	-12.4	11.55	2.13	FIRST MTG INV-A	OC	6.75	12/1/82	7.7	80.00	0.0	8
FIRST PENN M	OC	6.75	'91F	8.65	48.00	14.1	-3.9	4.15	1.75	FIRST VA MTG-A	OC	4.00	11/1/80	14.9	82.00	0.0	4
FIRST UNION	NY	8.75	'99	18.00	100.00	8.8	4.2	18.00	17.00	FIRST VA MTG-BM	OC	12.00	11/1/80	5.0	88.00	-1.0	13
FRANKLIN RLY	AS	7.00	'89	10.00	210.00	3.3	30.4	21.00	20.50	GMR PROPS-B	PS	8.50	12/3/87	15.3	65.00	-5.0	13
HANOVER SQ R	AS	7.25	'92	21.00	61.00	11.9	-3.1	12.81	6.38	GREAT AMER MGMT-B	OC	3.00	8/1/90	15.0	48.00	0.0	6
HEITMAN MTG	AS	7.50	'92	14.70	56.13	13.4	-7.5	8.25	2.00	GREAT AMER MGMT-C	OC	1.10	8/1/91	8.7	45.00	-2.1	2
HOTEL INVSTR	OC	7.75	'90	21.00	102.00	7.6	5.2	21.42	23.25	GROWTH RLTY-C	NY	6.75	4/15/82	9.2	84.50	5.6	8
HOTEL INVTRS	OC	7.50	'91	25.25	87.00	8.6	3.6	21.96	23.25	GUARDIAN MTG-B	PH	7.50	12/1/79F	25.0	53.00	6.0	0
LINCOLN MTG	OC	8.00	'90	11.00	66.00	12.1	0.0	7.26	2.50	GUARDIAN MTG-C	PH	6.75	7/15/86F	8.6	37.00	0.0	0
MASSMUTL MTG	NY	6.75	'90	21.00	69.50	9.7	1.5	14.59	12.00	INST INVESTOR-B	OC	8.25	2/1/87	15.2	62.00	-8.0	13
MASSMUTUAL M	NY	6.25	'91	33.50	65.38	9.6	0.0	21.90	12.00	MIDLAND MTG-B	NY	8.00	3/1/80	14.6	99.25	0.8	8
MIDLAND MTG	OC	7.00	'86	16.67	52.00	13.5	0.0	8.66	3.13	MTG INV WASH-BG	OC	12.00	11/1/80	15.0	88.00	0.0	13
MONY MTG IN	NY	7.00	'90	11.00	82.00	8.5	-1.1	9.02	7.75	NATIONWIDE RE-C	OC	7.00	1/1/91	6.5	58.00	-6.4	12
MTG INV WASH	OC	8.00	'90	15.00	65.00	12.3	1.6	9.75	2.50	NO AMER MTG-B	PS	8.50	11/1/87	12.1	62.00	-3.0	13
NOWSTRN MUTL	NY	6.00	'91	21.00	64.50	9.3	0.8	13.54	8.75	REALTY REFUND	NY	11.38	11/1/98	20.0	85.00	-3.3	13
PAC REAL TR	AS	7.00	'92	26.25	92.00	7.6	2.2	24.15	25.25	REALTY REFUND-C	NY	12.00	5/15/98	15.0	80.00	-9.8	15
PNB MTG	AS	6.75	'91	20.00	58.00	11.6	-3.2	11.60	8.38	SECURITY MTG-C	OC	6.00	6/15/82	5.3	74.00	4.2	8
PNB MTG & RL	NY	6.75	'82	20.00	83.50	8.1	-0.6	16.70	8.38	SMI INV (DEL)	AS	7.25	5/1/82	35.0	85.00	-2.2	8
RAM PACIFIC	OC	6.75	'91	21.00	75.00	9.0	0.0	15.75	15.75	SO ATLANTIC-C#	NY	6.75	2/15/82F	16.9	80.00	1.3	8
REALTY INCOM	AS	8.00	'91	18.00	62.00	12.9	-3.0	11.16	7.75	STATE MUT INV-B	NY	9.00	11/1/80F	6.2	94.56	1.5	9
REPUBLIC MI	NY	9.00	'90F	19.00	102.13	8.8	5.3	19.40	2.63	TRECO-C	OC	6.75	9/1/91	5.3	40.00	-19.9	16
SAUL (BF) RL	OC	6.50	'91	23.00	57.00	11.4	-3.3	13.11	7.88	DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-3% TO 9/30/82, 7% AFTER. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. C-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-VARIABLE RATE IN MAR. AND SEPT.; CONVERT INTO 9% DEBEN TO 9/1/86. VJ-BANKRUPTCY REORGANIZATION. X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT. #MAY BE USED AT PAR TO EXERCISE WARRANTS. F-TRADES FLAT, WITHOUT ACCRUED INTEREST.							
SAUL (BF) REI	OC	8.00	'90	15.50	72.00	11.1	-2.6	11.16	7.88								
STATE MUTUAL	AS	6.75	'91	21.00	66.00	10.2	0.0	13.86	4.75								
TRECO	OC	8.50	'98	1.62	115.00	7.4	8.5	1.86	1.81								
TRI-SO / SR	PH	10.00	'88	2.50	140.00	7.1	2.2	3.50	3.50								
TRI-SOUTH MI	NY	7.00	'92F	29.50	51.00	13.7	-6.3	15.04	3.50								
US REALTY IN	NY	5.75	'89	20.20	60.00	9.6	-10.3	12.12	8.63								
WASH CORP	OC	6.50	'91	33.00	48.00	13.5	-3.9	15.84	1.63								
WESTPORT CO	OC	6.75	'91	21.00	53.00	12.7	-3.5	11.13	4.63								

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ=IN BANKRUPTCY REORGANIZATION. F=TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF=IN DEFAULT. PH=PHILADELPHIA EXCHANGE. PS=PACIFIC EXCHANGE.

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of qualified real estate investment trusts, displayed on page 4, and formerly qualified trusts and corporations, displayed on page 5. Only historical data, or annualizations of latest quarterly data, are used and thus results should not be read as estimates or projections. Investors are advised to consider carefully the following distinctive characteristics of REIT stocks compared with other industrial or financial securities:

Annualized Dividend and Yield: Most qualified REITs do not pay a posted regular annual dividend rate but instead pay their approximate earnings (or net cash flow) for each quarter. They do this because REITs are required to pay 90% (95% beginning 1980) of earnings to shareholders in order to qualify for exemption from Federal income taxes. This means that REIT dividends will vary from quarter to quarter much more than for industrial companies; The Wall Street Journal recognizes this variability by reporting most REIT dividends as "irregular." The outlook and stability of dividends are thus key factors in RTR's RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusting for any capital gains or special payouts. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to continue in subsequent quarters. For these reasons annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarterly earnings are multiplied by four. Zeroes indicate losses or no earnings for the indicated quarter. Losses per share are however shown in the monthly Earnings Trend summary and in

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
CI MTG	PH-CI.W	3/1/80	2854	20.00	1.0	0.01	7.13	180.6	0.0	0.0
CITZNS&SO-B*	PS-N/A	3/31/83	208	2.00	50.0	19.00	1.88	26.6	-2.5	4.0
FLATLEY RLTY	O-FLTLW	5/30/80	1000	10.00	1.0	0.50	5.75	82.6	0.0	0.5
HOMAC-BARNES	O-HOMCW	12/13/82	1910	20.00	1.0	0.02	1.88	964.9	0.0	0.0
JMB REALTY	O-JMBRW	8/15/82	510	20.00	1.0	2.00	18.00	22.2	-11.0	1.0
M&T MTG INV	O-MTMIZ	8/31/80	744	13.00	1.0	0.25	12.63	4.9	-49.9	0.2
MTG INV WASH	O-MINWV	3/5/80	931	15.00	1.0	0.01	2.50	500.4	-66.6	0.0
PNB MTG(B)	A-PNIWB	6/1/82	700	20.00	1.0	0.81	8.38	148.3	28.6	0.6
SAN FRAN REI	A-SFTW	12/31/80	1348	25.00	1.0	2.00	25.00	8.0	14.3	2.7

*DEBENTURES USABLE IN LIEU OF CASH.

WTS PRICE OF .01 INDICATES TRADING IN MILLS.

NOTE: BUYERS ARE CAUTIONED THAT SPREADS BETWEEN BID AND ASKED PRICES FOR WARRANTS ARE VERY LARGE AND PRICES MAY VARY SIGNIFICANTLY.

RELATIVE APPEAL RANKINGS. Non-recurring items such as asset swap gains, reversals of loss reserves, etc., are not annualized for mortgage and mortgage/foreclosed property trusts.

For property or equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings if the trust uses cash flow as the basis for dividend payments. Net cash flow is defined as net income plus depreciation minus mortgage amortization, and net cash flow trusts are designated with the symbol "#".

For a few trusts, gross cash flow (i.e., net income plus depreciation) is used and is denoted as "X". Both earnings (EPS) and net cash flow (CFS) per share for these equity trusts are shown in RELATIVE APPEAL RANKINGS.

Book value per share is essentially tang-

ible net worth per share after deducting intangible items such as unamortized debt discount and expenses, goodwill, etc. Book value does not reflect any appreciation in asset values but does reflect deduction of a reserve for possible investment losses computed under AICPA rules. Accumulated depreciation is added back to net book value for cash flow trusts (denoted "#") - see above) as a means of approximating market value of properties. Components of this adjusted book value are reported in RELATIVE APPEAL RANKINGS.

Shares used in the statistics are the actual number of shares outstanding as of the latest balance sheet date and do not reflect potential dilution from debenture conversion, warrant exercise, or other common equivalent shares which may have been used in computing earnings per share.

FINANCING: FOUR REALTY TRUSTS MEET BOND MATURITY DATES WITH EASE

There's no need to worry anymore that the first months of 1980 might bring a wave of REIT defaults on maturing straight bonds. Maturity dates came for four trusts the past 30 days and all were met without strain. A fifth impending maturity also seems to present no strain.

All this is good news for realty trust investors because it seems to end any real concern about bond repayments this year and beyond.

The four bonds repaid and thus removed from our listing on page 6 are: GMR Properties repaid \$3.1 million of 7.7% notes Feb. 1 with proceeds of bank loans; Institutional Investors also used bank loans to repay \$5.5 million of its 7-7/8% debentures; B.F. Saul REIT used \$16.3 million bank loans, \$5 million standing loan on properties, and exchange of \$3.7 million to repay its \$25 million 8½% due Feb. 1; and Tri-South Mtg. used cash and bank notes to repay \$11.4 million of 7-3/4% due Feb. 15.

Also deleted from listing are IDS Realty's subordinated debentures as the trust has been acquired by Boothe Financial Corp., and Metroplex Realty's debentures are now exchanged for shares under its bankruptcy plan.

Ahead for 1980 are \$14.6 million of Midland Mortgage's 8% debentures due March 1; MMT has reduced outstandings via open market purchases and is expected to repay on time. Three other issues expire in November: First Virginia Mtg.; Mtg. Inv. of Washington; and State Mutual Inv.

REITS IN THE NEWS: REPORTS OF BLOCK HOLDINGS, LIQUIDATIONS, ACQUISITIONS

We continue to receive new 13-D reports of new or increased interests in realty trust shares. First Carolina has announced that it may seek a takeover of API Trust; it presently intends to seek representation on API's board and

may seek sufficient representation to permit it to assume the management of API. Other trusts to watch are Dominion Mortgage, with the Baird group and the Morgens/Waterfall respective new interests; Central Mortgage, where the Peregrine group has increased its position; Plaza and Fidelco, where Gould and Baer may be planning to take another run at management; and Kenilworth and North America MI, where American Financial Corp. (which has assumed control of Compass) has taken sizable new positions. We have also been informed that Brent Baird has sold his positions in BRT Mortgage and Central Mortgage (bought by the Peregrine group).

Among other REIT activities: Denver REIA has agreed in principle to sell the trust's assets for \$43.2 million to the principals of Romanek Golub & Co., a Chicago real estate investment and development concern. The sale, which would net shareholders about \$35/share, or more than double adjusted book value (book plus depreciation), is subject to negotiation of a definitive agreement and shareholder approval.

Tierco has said it would study an offer for it to buy Tab Books, a Blue Ridge Summit, Pa., book and manual publisher, for about \$5 million. Windcrest Partners, a private partnership controlled by two Tierco trustees, have offered the Tab assets to Tierco at Windcrest's purchase price.

General Growth Properties has agreed in principle to the settlement of the shareholder's suit that sought to block the sale of ten of its shopping centers to Aetna Life Insurance. The settlement provides in part that the sale will proceed subject to receipt of a fairness opinion from GGP's investment bankers and shareholder approval. At least 75% of the net proceeds would be distributed to shareholders, and any substantial future asset sale would also be subject to a fairness opinion and shareholder approval. GGP said it agreed to the settlement in order to avoid the burden and expense of further litigation.

Cameron-Brown Inv. Group has a tenta-

New Earnings & Dividend Reports

Trust-Period ended	-----Latest quarter-----		-Prev. Q- EPS/Spec.1	-Yr. Ago ^U - EPS/Spec.1	-% Chng. from-	
	Th.5/Spec.1	EPS/Spec.1			Prev.Q	Yr.agoQ
Quarterly results: Qualified REITs:						
BankAmerica RI..Jan....	\$1101/173G	0.31/5cG	0.23/1cR	0.42/19cGR	+18	+13
Central Mtg....Dec....	463/222G	0.60/29cG	0.23	0.60/33cG	+35	+15
Conn. Gen....Dec-CFS	4902/1219GT	0.84/21cGT	0.61/2cR	0.49/5cG	+7	+29
Equitable M&R...Jan....	2300	0.40	0.36/5cG	0.48r	+29	-17
First Union....Dec-EPS	2364/913G	0.43/15cG	0.21	NC	+31	NC
" " " " " " " "	2924/913G	0.47/15cG	0.31	NC	+3	NC
Gen. Growth....Dec....	2178/76G	0.35/1cG	0.37/46cGM	0.30/3cG	-21	-3
Gould Investors...Dec	2519/2245G	2.14/41.91G	0.15/d3cL	0.49/22cG	+28	-15
Hospital Mtg...Nov-EPS	71	0.06	0.04/d1cL	0.07	+20	-14
" " " " " " " "	176	0.15	0.12/d1cL	0.18	+15	-17
Hotel Investors...Nov-CFS	1666/390G	0.98/23cG	0.64	0.58	+17	+29
JMB Realty....Nov....	266	0.52	0.59	0.47	-12	+11
Mtg. Growth Inv...Nov-EPS	504	0.19	0.22/5cR	0.14/3cG	+12	+73
" " " " " " " "	E600	E0.23	E0.26/5cR	E0.22/3cG	+10	+21
Nationwide RE...Dec....	235/25R	0.22/2cR	0.14	0.14	+43	+43
Prop. Cap. Tr...Jan....	829	0.39	0.38	0.33	+3	+18
RE Inv. Props...Dec-EPS	249	0.26	0.32	0.24	-19	+8
" " " " " " " "	300	0.31	0.37	0.29	-16	+7
Realty REFund...Jan....	452	0.33	0.36	0.41	-8	-20
San Fran. RE...Dec-EPS	627	0.45	0.41	0.33	+10	+36
" " " " " " " "	689	0.49	0.46	0.39r	+7	+26
Virginia RE...Dec-EPS	166	0.16	0.10	0.09	+60	+78
" " " " " " " "	345	0.31	0.19	0.23	+63	+35
Wash. RIT....Dec....	853	0.56	4.64/4.15F	0.52	+14	+8

Quarterly results: Nonqualified trusts & corps:						
Amer. Cent. M...Nov....	3113/1516N	1.19/58cN	0.15/7cN	40.07	+663	Better
ANRET Inc...Nov....	463	40.12	d1.31	40.07	Better	Worse
BT Mortgage...Dec....	184/85N	0.09/4cN	0.11/18cNG	0.22/35cR	Better	Better
Builders Inv...Dec....	651/608SNT	0.23/21cSNT	0.87/1.30S	0.46/53cSTN	Better	Better
Continental Mtg...Sep....	5779/2890N	0.28/14cN	0.13/6cN**	0.04/2cN	Better	Better
CleveTrust...Dec....	53	0.02	d0.03/d2cN	0.02	Better	UC
Fidelo Grow...Nov....	d878/d279N	d0.56/d18cN	1.82/2.87XN	1.11/1.11STN	Better	Worse
First Denver...Dec....	53/26N	0.03/1cN	d2.07/d1.02NS	d0.10	Better	Better
First Carolina...Dec....	232/16N	0.16/8cN	d0.28/d14cN	0.09/11cN	Better	Better
First Newport...Oct....	d1380/d4681N	d0.59/d28cN	0.15/7cN	d0.36	Worse	Worse
Grt. Amer. M...Oct....	248/1393G	0.03/19cG	d0.06/10cG	0.70/57cNG	UC	Worse
Growth Rty...Dec....	1468/2391S	0.71/1.16S	d0.13/34cS	d0.25	Better	Better
Guardian Mtg...Nov....	1946/935N	0.64/31cN	0.74/36cN	0.98/48cN	-13	-33
Independence...Sep....	18725/19469SN	7.37/7.66SN	d0.03/36cS	0.13/6cN	Better	Better
Indiana Fincl...Dec....	d197	d0.17	d0.07	d0.09	Worse	Worse
Lifetime Comm...Oct....	1164/559N	0.17/9cN	0.16/5cN	0.25/27cN	-27	Better
Lincoln Mtg...Dec....	454/69T	d0.05/6cT	d0.16	0.31/14cN	Better	Worse
Midland Mtg...Dec....	206/181TN	0.09/8cTN	1.48/68cN	0.06/14cT	+99	Better
Mission Inv...Nov....	650/218N	0.36/12cN	0.99/1.04Y	0.11	Better	Better
NJB Prime...Nov....	4601/41655S7	d0.72/d1.52S7	0.50/32cG	d0.68	+50	Better
Parkway Co...Dec....	252/96N	0.24/9cN	d0.21/d15cGB	d0.08/2cG	Better	Better
Republic Mtg...Dec....	2888/1530SND	1.37/73cSND	N11/37cS	d0.33/11cS	Better	Better
Saul (B.F.) RE...Dec....	d491	d0.08	d0.36	d0.13	Better	Better
South Atlantic...Oct....	d1284/974S	d0.11/36cS	1.05/1.75S	0.34/57cS	Better	Worse
Southmark Prop...Dec....	801/793XIN	0.08/8cXIN	0.01	d0.41/d17cL	Worse	Better
State Mutual...Dec....	102/47N	0.03/1cN	0.35/33cNRG	0.10/15cNG	UC	Better
Tierco...Dec....	1973/1793X	0.84/76cX	0.04	0.13	+100	-38
Tri-South...Dec....	883/424N	0.30/14cN	0.27/13cN	0.30/14cN	+14	UC
TRECO Inc...Dec....	11/68N	N11/68N	0.11/5cN	d0.13	Worse	Better
UMET Tr...Nov....	4200/5214NS	11.99/2.47NS	d0.40/d19cN	1.15/3.13ST	Worse	Better
Wisconsin RE...Dec....	333/172N	0.22/11cN	0.41/19cN	0.27/12N	-50	-27

Annual results: All trusts & corps:						
Fidelo Growth...Nov....	4503/6973NSX	2.88/4.44NSX	3.65/3.70SIN		Worse	
First Carolina...Dec....	234/117N	0.16/8cN	0.33/17cN		-50	
First Union...Dec-EPS	8545/1348GX	1.39/27cGX	NC		NC	
" " " " " " " "	6327/1348GX	1.25/27cGX	NC		NC	
First Newport...Oct....	43/2675G	N11/1.15G	d1.03/2cG		Worse	
Lifetime Comm...Oct....	3336/1601N	0.43/15cN	11.69/11.48T		+16	
Mission Inv...Nov....	1595/2410YN	1.43/1.33YN	0.20/24cY		UC	
Mtg. Growth...Nov-EPS	2132/716CRG	0.81/27cRG	0.49/3cG		+17	
" " " " " " " "	2768/716CRG	1.05/27cRG	0.81/1cG		UC	
NJB Prime...Nov....	18001/1828NSZ	10.89/11.06NSZ	d2.37		Better	
Realty Refund...Jan....	2051	1.49	1.81		-18	
Republic Mtg...Dec....	1483/2750SDN	0.70/1.30SDN	d0.73/30cS		Better	
San Fran. RE...Dec-EPS	2203	1.58	1.10		+44	
" " " " " " " "	2478	1.78	1.32		+35	
So. Atlantic...Oct....	596/7043S	0.22/2.60S	d0.61/57cS		Worse	
Tierco...Dec....	2363/2398X	1.65/1.68X	0.75/65cS		Worse	
Tri-South Mtg...Dec....	6558/4882NI	2.54/1.89NI	1.37/1.48S2		Better	
UMET Trust...Nov....	8608/11272GNS	4.08/5.34GNS	2.21/4.94GSI		Better	
Virginia RE...Dec-EPS	525	0.47	0.15/23cW		Better	
" " " " " " " "	1059	0.94	0.82/23cW		+61	
Wash. RIT...Dec....	9373/6307F	6.16/4.15F	1.70		+19	
Wisconsin RE...Dec....	1052/496N	0.69/32cN	0.23/26cN		Better	

Dividend declarations:						
Record date	--Quarterly dividend/share--		-% Chng. from-	Prev.Q	Yr.ago	
	Latest	Previous				
BankAmerica Realty...2/29	0.30	0.30	0.25	UC	+20	
Central Mortgage...2/11	0.15	0.15	--	UC	--	
CleveTrust...3/14	0.07	0.05	0.05	+40	+40	
Commonwealth Rty...2/20	0.10	0.10	0.20	UC	-50	
" " " " " " " "	0.10+3% stk.	0.10	0.20	UC	-50	
Del Val Financial...1/18	0.12M	0.12M	0.115M	UC	+4	
Franklin Realty...2/11	0.06	0.06	--	UC	--	
IRT Property...2/18	0.225	0.20	0.15	+13	+50	
Nationwide...2/15	0.22	0.14	0.12	+57	+83	
Pacific-Southern...2/22	0.44	0.42	0.20	+5	+120	
Pittsburgh & W. Va. RR...2/10	0.14+1c ext.	0.14	0.14	UC	UC	
Property Capital...2/29	0.39	0.38	0.33	+3	+18	
Property Trust Amer...2/22	0.12+25c ext.	0.10	0.09	+20	+33	
Realty Refund...2/29	0.33	0.36	0.41	-8	-20	
San Francisco RE...2/8	0.44	0.44	0.40	UC	+10	
Terrydale RE...2/22	0.45	0.45	0.40	UC	+13	
Virginia RE...2/19	0.20	0.20	0.20	UC	UC	
Washington RIT...3/5	0.58	0.53	0.49	+9	+18	

UC=Unchanged. NC=Not Compared. r=restarted. E=Estimated. d=deficit. M=Monthly dividend.
 #=Special items included in both thousand dollar and share amounts are: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit or charge; R=Recovery of past-due interest or prepayment fees; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; W=Gain (Loss) on mortgage refinancing; X=Settlement with adviser, sponsor, insurance company, or litigation with borrower; Y=Loss reserve credit; Z=Gain on debt restructuring via exchange or tender offers; B=Litigation provision; C=Accounting change credit; D=Gain on debt extinguishment; F=Real estate exchange gain; M=Merger expense.

* Comparisons are based upon earnings per share before special items. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."
 ** 2 mos.

tive new credit agreement with its banks which would give the trust until the end of 1981 to repay its remaining \$18.5 million principal debt outstanding due at 1979 year-end. Under the new agreement, principal outstanding would have to be reduced to \$10 million at 1980 year-end, \$5 million by mid-1981 and extinguished at the end of 1981. The interest rate will be prime plus two percentage points, with a maximum of 15%. If payments are made, warrants will be issued in repayment of the \$2.8 million of accrued interest. At the annual meeting, trust shareholders will vote on a proposal to convert the trust into a Delaware holding company.

EARNINGS TRENDS: RESULTS BENEFIT FROM EXPANDED ACTIVITIES, PROBLEM RESOLUTION

In the earnings reported by the qualified trusts in the past months, gainers led losers by 13 to four, while the nonqualified trusts also showed improving results. The equity trusts have benefited from continued strong leasing activity, while both groups benefited from the gradual resolution of problem investments. After extraordinary credits, only eight of the nonqualified trusts reported deficits.

First Union's results for the December qtr. and full year reflect aggressive leasing and expansion programs and the payment of short-term debt with the proceeds of its convertible debenture offering. Year-to-year comparisons are unavailable as the trust formerly had an October year.

San Francisco REIT's strong performance is attributable to higher occupancy and rental rates combined with an adequate reserve for its problem investments.

Parkway Co.'s earnings were enhanced by a significant increase in earning mortgage loans acquired in its purchase of GBN Corp., a Houston real estate development venture.

Hospital Mtg., up 20% in its third November quarter, is changing to a December fiscal year.